

# Merit Based Review and Programmatic Risk Assessment

GATU Webinar – Part 2  
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Presented by Jennifer Butler, CMC

## Presentation Objectives

- ▶ Merit based review of grant applications
  - Required for all competitive / discretionary awards
- ▶ Evaluation criteria for grant applications
- ▶ State agency support for merit based review decisions
- ▶ Programmatic risk assessment following merit based review
- ▶ Specific conditions of merit based review and programmatic risk assessment
- ▶ NOSA to communicate specific conditions

## Merit Based Review

- ▶ Federally required for all competitive or discretionary awarded grants (2 CFR 200.204)
- ▶ Applies to fully or partially funded Federal, Federal Pass-through and State funded grants
- ▶ Merit based review process, including appeals process, is required to be described in the NOFO
  - Per Federal requirements, all competitive awards require a NOFO and a Merit Based Review

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## Evaluation Criteria

- ▶ Merit based review describes the evaluation criteria including need, capacity and quality
- ▶ Evaluation criteria must be tied to objectives, purpose of the grant program
- ▶ Criteria must be stated in relative importance including preference and tie breakers for equivalent scores
- ▶ State agency may add additional criteria such as economic impact, cost effectiveness, sustainability

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## State Agency Support for Applied Merit Based Review

- ▶ Merit based review must be conducted by committee with members that do not have any real or apparent conflicts of interest
  - Merit Based Review Committee Confidentiality Agreement and Conflict of Interest Disclosure
- ▶ Grant Award File must be maintained to document grant award process including written determination of award and grant application requirements
  - Written evaluations must include numerical ratings
  - Identify specific conditions that may be required in response to Merit Based Review
  - File must be available for audit

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## Merit Based Review Leads to Programmatic Risk Assessment

- ▶ When applicable, state agency must provide written Notice of Denial in response to Merit Based Review
  - Merit Based Review Appeal enables applicant to appeal the evaluation process
  - Assigned to state agency designated Appeal Review Officer
- ▶ Positive Merit Based Review triggers state agency release of programmatic risk assessment

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## Programmatic Risk Assessment

- ▶ Federal requirements for pre-award risk assessment stated in 2 CFR 200.205
- ▶ Risk assessments are grantee-specific for targeted capacity building
- ▶ GATA separates risk assessment into:
  - *Centralized* Fiscal and Administrative ICQ (Refer to Part 1 Webinar)
  - Programmatic Risk Assessment
- ▶ Programmatic risk assessment: Generated by state awarding agency to evaluate applicant's ability to execute program for which they're applying

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**A separate programmatic risk assessment is required for each grant application.**

**Responses should be program-specific.**

Program Associated with this Programmatic Risk Assessment:	
Awarding State Agency:	
Entity Completing Programmatic Risk Assessment:	
Individual Completing Programmatic Risk Assessment:	
Contact Information for Completer (Phone/Email):	

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## Program Specific Assessment

- ▶ Separate programmatic risk assessments are required for each grant application
- ▶ Programmatic assessments are grant-specific for targeted capacity building
- ▶ Scope of assessment includes:
  - Quality of management systems
  - History of performance
  - Reports and findings from prior audits
  - Ability to effectively implement statutory, regulatory requirements
  - Other agency or grant-specific areas

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## Assessment Responses May Indicate Specific Conditions

- ▶ Federal requirements mandate state agencies impose additional specific conditions based on programmatic risk posed (2 CFR 200.207)
- ▶ Specific conditions would include:
  - Requiring additional project monitoring or reporting
  - Requiring technical or management assistance
  - Establishing additional prior approvals
  - Requiring evidence of acceptable performance within a specified period
- ▶ Specific conditions enable the entity to develop capacity in area(s) of risk potential

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## State Agency Must Specify

- ▶ Nature of the additional requirements
- ▶ Reason why the requirements are imposed
- ▶ Nature of the action needed to remove the requirements, if applicable
- ▶ Time allowed for completing actions
- ▶ Method of requesting reconsideration of the additional requirements

Specific conditions must be promptly removed by the awarding agency once conditions are corrected

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## Notice of State Award (NOSA) Communicates Specific Conditions

- ▶ Specific conditions from the ICQ, Merit Based Review and the Programmatic Risk Assessment are included on the NOSA
- ▶ NOSA informs the applicant of these terms and conditions of award
- ▶ NOSA positions the applicant to make an informed decision to accept or reject the award offer
  - NOSA must be signed and returned to accept the offer of award

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## Working Together for Compliance

- ▶ Merit based reviews and pre-award risk assessments are federally required
- ▶ Grantee-specific assessments allow each entity's risk profile to be considered
  - Additional requirements or specific conditions in targeted areas help grantees build capacity
- ▶ State agencies use the NOSA to articulate potential areas of risk
- ▶ Grantees use the specific conditions to develop capacity in targeted areas

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## GATU Contacts for Additional Support

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